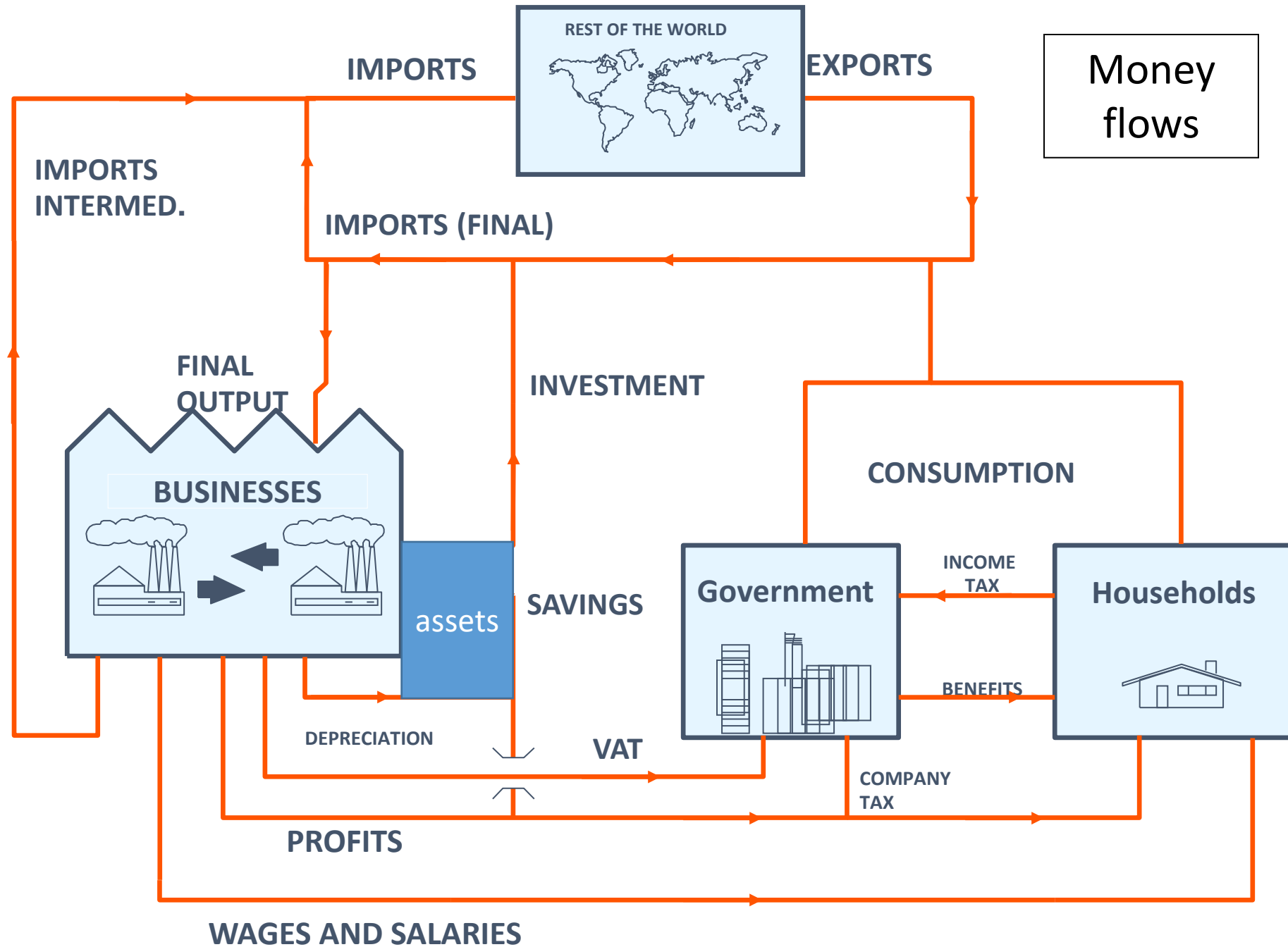


Major sources for the national accounts

Workshop on national accounts

Trinidad, June 2016



Basics

- In order to measure the economy, we need the following:
- An international standard on concepts for the accounts of the nation (System of National Accounts 2008)
- A set of rules and definitions for the units of measurement
- A classification of the various units – households, business etc.
- A population frame
- A set of surveys collecting information
- Access to administrative records
- National accountants

Business register

- A list of businesses in the economy
- It provides the sampling frame for statistical surveys
- It contains ideally the following information for each business
 - Name
 - Address
 - Business Identification number (VAT registration no., company registration no.)
 - Activity code (International Standard Industrial Classification ISIC)
 - Employment / turnover for a recent year
 - Ownership structure (enterprise, local unit)
 - National accounts sector (non-financial business, financial business, household, NPISH, government)

Business register

- How do we create a business register?
- Conduct a Census of establishments
- Use an Administrative source such as
 - Tax records – Social security schemes, VAT records
 - Census of housing and population for household businesses

Administrative information - pros

cheap

can be extensive

recorded according to a rules in a framework

Administrative records - cons

- Not under NSO control
- Can be confidential (and so hard to get)
- Record specification according to administrative purpose
- May have cut-offs

Census of establishments - pros

- Extensive coverage of businesses
- Under NSO control – so ISIC classification
- Register specification collected

Census of Establishment

- Very expensive to carry out
- May reveal large discontinuity with current register
- May still miss small businesses, households

How do we maintain business registers?

- Measure births and deaths through tax administrative records (VAT, Social insurance returns etc.)
- Use information from ongoing surveys
- Carry out register proving surveys
- Ad hoc sources – newspapers, business magazines, advertisements

Maintaining the register

- Do the administrative sources have the same classification system as used for national accounts industries?
- Do the administrative systems have the same coverage (e.g. is there a threshold for size of business to be included?)
- The register proving survey will identify “deaths” but how will it capture “births”?

Business surveys

- Often called national accounts surveys in CARICOM countries
- Data collected is usually sales, purchases, change in inventories, capital formation, employment, wages and salaries.
- This allows output and input to be derived
- Which in turn allows the estimation of gross value added by industry

Surveys – pros and cons

- National accounts in charge
- Relevant questions (with guidance) asked
- Frequency of survey
- Register used for scientific survey sample
- NA concepts and classifications used

Business surveys

- Cons
- Depends on a “good” business register
- Costs a lot
- Businesses don’t like answering – low response rate

Administrative sources – pros and cons

- Pros
- Already collected - cheap
- Often comprehensive coverage

Administrative sources

- Cons
- Statistical office not in control – e.g tax may be dropped or changed
- Concepts, definitions, classifications may not be national accounts ones
- Access to records and statistics can be difficult
- Follow up on errors can be difficult

Accessing and using administrative records

- Issues to be faced
 - 1. Records are confidential
 - 2. Data requires transformation
 - 3. Public reaction may be negative

The ideal situation

- 1. The data collected is consistent with national accounts concepts and classifications
- 2. Statistics are produced within the department
- 3. These statistics are regularly and publicly available
- 4. The statistics can be used directly to produce national accounts measures
- 5. An agreement exists between the responsible department and the NSO regarding the data supplied, timing of delivery, and answering NSO queries
- 6. Regular meetings take place to address issues of quality

Administrative records - Second best

1. Formal agreement enshrined in Statistics Act for NSO access to individual records
- 2. Access is via regular timely “dump” of electronic records
- 3. Department will work with NSO to guarantee quality of results

Third best

- 1. Formal agreement that NSO can receive tabulations of data abstracted from administrative records
- 2. Data supply initiated by instruction from high-ranking government minister or official
- 3. NSO uses data to construct missing data from National Accounts Survey
- 4. Department supports NSO in regular supply, quality assurance, etc.

Fourth best

- NSO staff are security cleared, and have informal access to administrative records – described in sources and methods
- NSO uses information from individual records to construct missing returns through survey
- Limited support offered from department in quality assuring data

Fifth best

- NSO staff are not formally security cleared, and have informal access to administrative records – not public knowledge
- NSO uses information from individual records to construct missing returns through survey
- Limited support offered from department in quality assuring data

What are the dangers of unpublicised informal access?

- 1. No quality assurance of data
- 2. Revelation of access further reduces survey response rates
- 3. Reputational damage for official statistics

Administrative records

- Country views, comments welcome

National accounts survey sources

- Business –
- Annual National Accounts Survey
- Short-term quantity inquiries to enable Index of Production etc.
- Government statisticians in departments – e.g Agriculture Central Bank – financial institutions
- Central Bank for financial corporations
- Households –
- Census of population and housing
- Household Budget survey
- Labour Force Survey
- Retail Trades inquiry

National accounts survey sources

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National accounts survey sources

- Government –
 - Ministry of Finance and other department statistics
 - Non-Profit Institutions Serving Households –
 - Special surveys
- Rest of the World -
 - Survey into international trade in services
 - International visitor surveys

National accounts administrative sources

- Output (Sales)
- VAT (or previous General Sales Tax), Licensing systems (e.g. taxis)
- Imports and exports
- Customs and Excise international merchandise trade declarations
- Employment, compensation of employees
- Social Security system

National accounts other administrative sources

- Inland Revenue – financial statements
- Land / property tax department
- Licensing authorities
- Central Bank (admin because of regulatory purpose)

National accounts other administrative sources

- Ministry of Transport
- Ministry of Works
- Immigration department (visitor information)
- Tourism body (visitor information)
- Air and sea port authorities

National accounts other administrative sources

- Utility companies – electricity, gas and water
- Environment department
- Education and health (regulatory function for private bodies)
- Chambers of Commerce (hardly worth it, except propaganda)
- Associations (Insurance, life and non-life)

Prices

- Consumer Price Index (and its components)
- Producer Price Index (and its components)
- Prices for imports and exports
- Unit value indices for imports and exports of goods
- Construction cost price index

Main messages

- 1. A business register is essential to provide a population frame for the use of sample surveys and administrative records
- 2. Censuses, surveys and administrative records all have a part to play in the production of national accounts
- 3. But have a clear strategy about the order of use
- For volume measures, prices are also necessary